

## Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 L-02 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 SS-15 NSC-05

H-02 PA-01 PRS-01 NSCE-00 SSO-00 USIE-00 INRE-00 /055 R

DRAFTED BY EB/OA:MHSTYLES:VLV

APPROVED BY EB/OA:MHSTYLES

L/EB - MR. WILLIS

EUR/NE - MR. ACHILLES

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O 072155Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY LONDON IMMEDIATE

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E.O. 11652: N/A

EAIR, UK

TAGS: EAIR, UK

SUBJECT: CIVAIR - PAN AM COMMISSION SALES

REF: STATE 104616

1. PAN AM IS DELIVERING RESPONSE TO DOT'S ULTIMATUM. ESSENTIALLY, IT AGREES TO CONFORM WITH UK ORDER FOR SALES IN UK, BUT NOT FOR SALES IN U.S. OR THIRD COUNTRIES. WE HAVE ASKED THAT PAN AM GIVE COPY TO EMBASSY'S TCO COLWELL.

2. LETTER CONTAINS FOLLOWING PARAGRAPH: "IN YOUR COMMUNICATIONS WITH US YOU HAVE ALLEGED THE POWER TO GIVE YOUR DIRECTIVE EXTRATERRITORIAL EFFECT BY REGULATING COMMISSIONS PAID FOR SALES OUTSIDE UK WHEN THESE INVOLVE TRAVEL TO OR FROM UK. WE REJECT THIS ASSERTION AND WE RESERVE ALL LEGAL RIGHTS RESPECTING THE SAME. WE ARE ADVISED BY OUR UK COUNSEL THAT THE LAWS UNDER WHICH YOU PURPORT TO ACT

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CANNOT PROPERLY BE CONSTRUED SO BROADLY AND IN ANY EVENT

THE US-UK BILATERAL ASA STANDS AS AN ABSOLUTE BAR TO THE THREATENED ENFORCEMENT OF SUCH ASSUMED EXTRATERRITORIAL POWER. WE HAVE CONSULTED WITH OUR GOVERNMENT ON THIS MATTER. IT TAKES THE POSITION THAT THE ASA CANNOT BE CONSTRUED TO AUTHORIZE ANY ACTION BY THE UK AGAINST US FLAG CARRIERS BASED ON ATTEMPTS TO REGULATE COMMISSIONS PAID FOR

RATES IN THE TERRITORY OF THE US OR ANY OTHER COUNTRY OUTSIDE THE UK. WE ARE INFORMED THAT THE USG WILL NOT COUNTENANCE ANY ACTION IN THE UK AGAINST US FLAG CARRIERS WHICH IT REGARDS TO BE IN VIOLATION OF THE AGREEMENT."

3. LAST THREE SENTENCES OF FOREGOING WERE WORKED OUT BETWEEN PAN AM AND DEPARTMENT.

4. PAN AM ASKED THAT EMBASSY DELIVER PAN AM LETTER. WE HAVE DECLINED DO SO. HOWEVER, EMBASSY SHOULD ON URGENT BASIS ADVISE HMG THAT PAN AM DID CONSULT WITH USG ON MATTER AS INDICATED IN LETTER AND THAT USG EXPECTS THAT, SHOULD HMG CONTEMPLATE ANY ACTION AGAINST US AIRLINES FOR SALES IN U.S. OR THIRD COUNTRIES, UK WILL HAVE PRIOR CONSULTATIONS WITH USG UNDER BILATERAL AGREEMENT. EMBASSY SHOULD NOTE THAT ANY SUCH ACTION WOULD OBVIOUSLY HAVE SERIOUS CONSEQUENCES.

5. THIS MESSAGE SUPERSEDES INSTRUCTIONS IN REFTEL. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, TOURISM, AIR TRANSPORTATION, PASSENGER FARES, AVIATION AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE106713  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MHSTYLES:VLV  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750160-0948  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 104616  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 JUN 2003 by CunninFX>; APPROVED <04 NOV 2003 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR - PAN AM COMMISSION SALES  
**TAGS:** EAIR, UK  
**To:** LONDON  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006